

Steve Meradith
Regional Vice President, State Government Affairs
1440 M Street
Lincoln, Nebraska 68508-2591

(402) 436-4160
stephen.meradith@windstream.com



November 9, 2018

Mr. Michael Hybl
Executive Director
Nebraska Public Service Commission
300 The Atrium, 1200 "N" Street
Lincoln, NE 68508C

RE: In the Matter of the Nebraska Public Service Commission, on its own Motion to administer the Universal Service Fund High-Cost Program: Windstream Nebraska, Inc. Broadband Grant Requests

Dear Mr. Hybl:

Windstream Nebraska, Inc. hereby submits the attached application for broadband funding from the Nebraska Universal Service Fund (NUSF). This specific project is located in the Cortland Exchange. An electronic version of this filing has also been submitted to the NUSF Staff.

If you have any questions or require any additional information, please let me know.

Sincerely,

A handwritten signature in blue ink that reads 'Steve Meradith'.

Steve Meradith

Enclosures

RECEIVED

NOV - 9 2018

Nebraska
Public Service Commission

WINSTREAM NEBRASKA, INC.

NUSF-99 PRICE CAP APPLICATION – Cortland EXCHANGE

Checklist Item No. 1:

A description of the proposed broadband project including download/upload speed capabilities which can be provided and a description of the proposed network infrastructure to be deployed. Minimum speed standards should be 4 mbps download and 1 mbps upload.

Windstream's Response:

Windstream submits the following project for the Commission's consideration of NUSF-99 broadband funding, to be constructed upon funding approval, using funding available from the 2017 funding allocation.

- Fiber fed DSLAM sites to serve a portion of the Northern area of the Cortland, NE ILEC Exchange (partial funding requested)

This area of the north Cortland Exchange is not currently offered broadband service above 4Mbps. This project intends to address these customers by placing fiber fed DSLAMs within an appropriate distance to provide a minimum of 10Mbps up to 100Mbps download speeds.

- The project will place 3 DSLAM sites at remote locations along a shared new fiber route, starting approximately 2.5 miles north of the Central Office, extending north to the community of Princeton.
- The remote DSLAMs will provide the broadband connection to the customers, and have fiber backhaul to the Central Office location.

Windstream projects the total deployment costs for this project is \$214,580 and Windstream is requesting Nebraska Universal Service Funding of \$136,075, not including ROW, IDC, and Tax. The difference between the total project costs and the requested funding is because Windstream is not seeking funding for the areas funded by the FCC's Connect America Fund Phase 2 program. Windstream is requesting that the funding for this project be applied against the remaining 2017 funds allotted to Windstream.

Checklist Item No. 2:

A list in Excel Format of all the census blocks where broadband facilities would be deployed for the proposed project, which shall include 2010 Census Block identification number of service area, by project.

Windstream's Response:

See Attached Checklist Item #2.

Checklist Item No. 3:

An estimate of the number of potential new broadband subscribers for each project.

Windstream's Response:

See Attached Checklist Item #3

Checklist Item No. 4:

An estimated schedule for broadband deployment.

Windstream Response:

Windstream stands ready to begin project work immediately upon approval of the application, the deployment schedule will be as indicated in the Attached Checklist Item #4.

Checklist Item No. 5:

A proposed budget, showing total project costs, in electronic format, with a detailed breakdown of the cost elements and a depreciation schedule showing the life of the investment.

Windstream Response:

Please see Attached Checklist Item #5 which also includes the depreciation schedule showing the life of investment for the major plant categories associated with these projects.

Checklist Item No. 6:

Proposed retail pricing, including both monthly recurring costs and nonrecurring costs for the new broadband service(s) to be offered. At a minimum the pricing should reflect the stand alone price for the speeds to be offered to the customer.

Windstream Response:

Attached Checklist Item #6 provides a listing of the retail pricing for the broadband services Windstream will be offering in the proposed service areas. This price list is consistent with Windstream pricing for similar services in other Nebraska exchanges.

Checklist Item No. 7:

The company's commitment to offer broadband services to all households within the service area of the project for a minimum of five (5) years.

Windstream Response:

If approved for funding, Windstream commits to offer broadband service to all households within the service area of the project for a minimum of five (5) years.

Checklist Item No. 8:

An affidavit from the company attesting 1) (a) that the area of the proposed project is a CAF II eligible area and have not refused CAF II funding, or (b) that the area of the proposed project is ineligible for CAF II funding. 2) That the company has done its due diligence to verify that comparable broadband does not already exist in the area of the proposed project. 3) The truth and accuracy of all information included in the project filing.

Windstream Response:

The Affidavit of Brad Brannon is provided in Attached Checklist Item #8.

CHECK LIST #2 CENSUS BLOCKS - Cortland Exchange

Criteria for Determining NUSF Eligibility for Census Blocks in Priority Order for Projects Using Fixed Wireless Technology:

- 1) If Census Block is CAF 2 - Not Eligible
- 2) If Census Block has Wireline Competitor with at least 10/1 broadband - Not Eligible
- 3) If Census Block Wireline Competitor is a Neighboring ILEC Sharing Service in the Census Block - Eligible
- 4) If Census Block has a Fixed Wireless Competitor with at least 10/1 Broadband but Does Not Provide Voice - Eligible
- 5) If Census Block has a Fixed Wireless Competitor that receives federal USF - Eligible
- 6) If proposal is for a wireline solution, then Fixed Wireless census blocks are counted - Eligible

Census Blocks	CAF 2 and Form 477 Status	Is Wireline Competitor a Neighboring ILEC?	Is Project Technology Wireline Based	NUSF Eligibility	Summary	# Census Blocks	%
311090103002162	CAF2			CAF2	CAF2	15	36.6%
311090103002163	CAF2			CAF2	NE BB Eligible	26	63.4%
311090103002164	CAF2			CAF2	Competition - FW	0	0.0%
311090103002169	CAF2			CAF2	Competition - Other	0	0.0%
311090103002171	CAF2			CAF2	Total	41	100.0%
311090103002173	CAF2			CAF2			
311090103002174	CAF2			CAF2	Eligible for Funding	26	63.4%
311090103002177	CAF2			CAF2			
311090103002183	CAF2			CAF2			
311090103002185	CAF2			CAF2			
311090103002194	CAF2			CAF2			
311090104003082	CAF2			CAF2			
311090104005014	CAF2			CAF2			
311090104005088	CAF2			CAF2			
311090104005093	CAF2			CAF2			
311090103002144	Competition - FW	No Wireline Competitor	Y	NE BB Eligible			
311090103002150	Competition - FW	No Wireline Competitor	Y	NE BB Eligible			
311090103002151	Competition - FW	No Wireline Competitor	Y	NE BB Eligible			
311090103002152	Competition - FW	No Wireline Competitor	Y	NE BB Eligible			
311090103002165	Competition - FW	No Wireline Competitor	Y	NE BB Eligible			
311090103002166	Competition - FW	No Wireline Competitor	Y	NE BB Eligible			

311090103002167	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
311090103002168	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
311090103002172	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
311090103002175	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
311090103002176	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
311090103002180	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
311090103002181	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
311090103002182	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
311090103002184	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
311090103002190	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
311090103002191	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
311090103002192	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
311090103002193	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
311090103002195	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
311090104005013	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
311090104005034	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
311090104005087	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
311090103002145	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
311090103002153	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
311090103002154	Competition - FW	No Wireline Competitor	Y	NE BB Eligible

Check List #3 Subscribers - Cortland Exchange

Exchange	# Locations in Deployment Area
Cedar Bluffs	88

Estimated Broadband Take Rate 50%
New Broadband Subscribers 44

50% Take Rate assumption is likely low since broadband is generally not available due to long loop lengths

Checklist Item #4 Estimated Schedule – Cortland Exchange

Proposed Schedule: Total time for project is 120 to 150 days:

	<u>DSLAM Site</u>
Engineering design & approval	30 Calendar Days
Permitting & material acquisition	30 Calendar Days
Equipment deployment, testing, and turn-up	60 to 90 Calendar Days

Schedule is subject to seasonal limitations regarding when construction can commence or be completed.

Check List #5 Budget & Depreciation - Cortland Exchange

Budget

Fiber Build

Item	Labor	Material	Item Total	Quantity	Mat Total	Total	Notes
Fiber Bulldout	\$118,706	\$50,874	\$169,580	1	\$50,874	\$169,580	Placement of 23,100 ft of fiber cable
Site Work	\$4,000	\$1,000	\$5,000	3	\$3,000	\$15,000	
Total	\$122,706	\$51,874			\$53,874	\$184,580	

Remote Site

Item	Labor	Material	Item Total	Quantity	Mat Total	Total	Notes
Remote Equipment	\$2,500	\$5,000	\$7,500	4	\$20,000	\$30,000	2-TA1148VXPs AC powered
Total	\$2,500	\$5,000			\$20,000	\$30,000	

Grand Total **\$125,206** **\$56,874** **\$73,874** **\$214,580**

Excluded Costs

ROW	\$0	0				\$0	
IDC	\$73,874	5.0%				\$3,694	
Tax	\$73,874	7.0%				\$5,171	

Total Project Costs **\$214,580**

% of Eligible Census Blocks from Checklist #2 **63%**

Requested Funding Amount **\$136,075**

Depreciation Lives

Life in Years

Digital Circuit - ADSL	8
Poles	25
Burled Cable - Fiberoptic	25

Check List #6 Pricing - Cortland Exchange

Price for Internet Only (HSI Simple or Solo Internet)				
Speed		Standard Price	Current Promo	Net Price
Up to 25Mb		\$45	\$10 off for 12 months	\$35
50Mb		\$45	\$10 off for 12 months	\$35
100Mb		\$45	\$10 off for 12 months	\$35
1 Gbps		\$75	\$20 off for 12 months	\$55

Price for Internet + Bundle Phone Adder				
Speed		Standard Price	Current Promo	Net Price
Up to 25Mb		\$65	\$10 off for 12 months	\$55
50Mb		\$65	\$10 off for 12 months	\$55
100Mb		\$65	\$10 off for 12 months	\$55
1 Gbps		\$95	\$20 off for 12 months	\$75

\$50 Activation Fee and Free Professional Installation

AFFIDAVIT OF BRAD BRANNON

I, Brad Brannon, being first duly sworn upon oath, state as follows:

1. I am currently employed by Windstream as the Vice President Consumer & Small Business - Business Intelligence. In that capacity, I am personally familiar with the company's network structure in Nebraska.
2. I have reviewed the foregoing project filing and certify that (a) the areas of the proposed project are CAF II eligible areas and have not refused CAF II funding, or the areas of the proposed project are ineligible for CAF II funding; (b) Windstream has done its due diligence to verify that comparable broadband does not already exist in the areas of the proposed project that we are requesting funding; and (c) all information included in the project filing is true and accurate to the best of my knowledge and belief.



Brad Brannon

ACKNOWLEDGMENT

STATE OF ARKANSAS)

:SS

COUNTY OF PULASKI

Subscribed, sworn to and acknowledged before me on this 16th day of November, 2018
by Brad Brannon



Notary Public

My Commission Expires:

January 17, 2024

